

MEETING NO. 4144  
JOURNAL OF PROCEEDINGS  
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM  
OF THE CITY OF DETROIT  
HELD WEDNESDAY, **JANUARY 20, 2016**

10:00 A.M.

RETIREMENT SYSTEMS' CONFERENCE ROOM  
ONE DETROIT CENTER, 500 WOODWARD; SUITE 3000  
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Wendell Anthony	Trustee
Scott Benson	Ex-Officio Trustee/City Council Member
Lori Cetlinski	Trustee
Tasha L. Cowan	Trustee
Lou Hatty	Trustee/Chairman
Eric Higgs	Ex-Officio Trustee/Deputy CFO
Felicia Johnson	Trustee
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee
Thomas Sheehan	Trustee/Vice-Chairman

TRUSTEES EXCUSED

None

TRUSTEES ABSENT

None

ALSO PRESENT

Cynthia A. Thomas	Executive Director
Deborah A. Wilkerson	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Michael VanOverbeke	General Counsel
Reginald O'Neal	Medical Director
Rita Coats	Recording Secretary

CHAIRMAN

**LOU HATTY**

The Board's Recording Secretary took a verbal Roll Call at 10:10 a.m. and Chairman Hatty called the meeting to order.

Present at Roll Call: Lori Cetlinski, Tasha L. Cowan, Lou Hatty, June Nickleberry and Thomas Sheehan.

**Re: Service Retirement(s)**

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

**RESOLVED**, that the application(s) for **SERVICE RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Dennis Church – Maint Tech - Water & Sewerage
SERVICE CREDIT	10-10
EFFECTIVE DATE	02-04-16
NAME, TITLE, DEPARTMENT	Gwendolyn J. Houston – Prof Admin Analyst – Water & Sewerage
SERVICE CREDIT	20-0
EFFECTIVE DATE	12-31-15
NAME, TITLE, DEPARTMENT	Zahid Jawadi – Sr Asoc Mech Eng-Dsn - Water & Sewerage
SERVICE CREDIT	24-08
EFFECTIVE DATE	12-10-15
NAME, TITLE, DEPARTMENT	Dorothy Lindsay – Security Specialist – Water & Sewerage
SERVICE CREDIT	29-05
EFFECTIVE DATE	01-02-16
NAME, TITLE, DEPARTMENT	Kelly Miller – Lib-Tech Srv Asst - Library
SERVICE CREDIT	29-04
EFFECTIVE DATE	01-07-16

**Re: Service Retirements – (Con't)**

NAME, TITLE, DEPARTMENT	Darrin C. Rasch – Auto Repair Foreman – Water & Sewerage
SERVICE CREDIT	29-02
EFFECTIVE DATE	12-28-15
NAME, TITLE, DEPARTMENT	Winston Sanders – Const Equip Operator - DPW
SERVICE CREDIT	28-10
EFFECTIVE DATE	01-07-16
NAME, TITLE, DEPARTMENT	Kandarp V. Trivedi – Chemist – Water & Sewerage
SERVICE CREDIT	29-08
EFFECTIVE DATE	01-02-16
NAME, TITLE, DEPARTMENT	Clarence White – Elect Inst Ctrl Tech – Water & Sewerage
SERVICE CREDIT	24-01
EFFECTIVE DATE	01-05-16
NAME, TITLE, DEPARTMENT	Kathleen A. Yasenchak – Librarian II - Library
SERVICE CREDIT	13-02
EFFECTIVE DATE	12-05-15

Yeas: Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 5

Nays: None

**Re: Early Retirement(s)**

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

**RESOLVED**, that the application(s) for **EARLY RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Samuel A. Deloach – Special Proj Techn – Water & Sewerage
SERVICE CREDIT	27-0
EFFECTIVE DATE	01-12-16

**Re: Early Retirement(s) – (Con't)**

NAME, TITLE, DEPARTMENT	Emery J. Kish – Special Proj Techn – Water & Sewerage
SERVICE CREDIT	25-11
EFFECTIVE DATE	01-02-16

NAME, TITLE, DEPARTMENT	Rajan Mathew – Chemist – Water & Sewerage
SERVICE CREDIT	23-06
EFFECTIVE DATE	01-23-16

NAME, TITLE, DEPARTMENT	Harold L. Robinson – Maint Techn – Water & Sewerage
SERVICE CREDIT	24-0
EFFECTIVE DATE	01-09-16

Yeas: Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 5

Nays: None

**Re: Change of Computation from Duty/Non-Duty Disability to Service Retirement**

Motion By: Trustee Sheehan – Supported By: Trustee Nickleberry

**RESOLVED**, that the application(s) for **CHANGE OF COMPUTATION FROM DUTY/NON-DUTY DISABILITY TO SERVICE RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Kenneth M. Robinson – Clerk - DPW
SERVICE CREDIT	10-01
EFFECTIVE DATE	12-31-15

Yeas: Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 5

Nays: None

**Re: Receipts**

The receipts which are referenced below were **Acknowledged**:

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
WEEKLY RECEIPTS FOR ACKNOWLEDGEMENT			
1/11/16 - 1/15/16			
Meeting No. 4144			
January 20, 2016			
REMITTER NAME	DATE POSTED	DESCRIPTION	AMOUNT
<b>RECEIPTS</b>			
GATEWAY PARK OUTLET	01/11/16	Remittance	270,587.65
LANDMARK EQUITY PARTNERS XV LP	01/13/16	Distribution	116,945.00
DIEBOLD INC	01/14/16	Class Action Proceeds	13,677.33
MERCK & CO INC	01/14/16	Class Action Proceeds	8,853.16
SECURITIES LENDING	01/15/16	Earnings, December 2015	40,845.29
SAS MORTGAGE TRUST	01/15/16	Remittance	811,375.00
SAS EQUITY REIT	01/15/16	Remittance	500,000.00
DELL INC	01/15/16	Class Action Proceeds	8,336.08
IDEARC INC	01/15/16	Class Action Proceeds	940.31
WACHOVIA CORP	01/15/16	Class Action Proceeds	2,198.15
CITY OF DETROIT	01/11/16	Weekly Mandatory Pension Contribution	194,418.86
CITY OF DETROIT	01/11/16	Weekly Annuity Contribution	136,483.92
<b>TOTAL RECEIPTS</b>			<b>\$ 2,104,660.75</b>

**Re: Fees and Expenses**

Resolution Moved By: Trustee Sheehan - Supported By: Trustee Cetlinski

**WHEREAS**, the Board has been presented with the List of Disbursements for Board Approval which is referenced below requesting payment for Fees and Expenses, and

**WHEREAS**, the Board has been requested to approve payment of said Fees and Expenses; **THEREFORE BE IT**

**RESOLVED**, that subject to staff audit and approval of all Legal Fees by the Board's General Counsel, the Board **APPROVE** payment of the following Fees and Expenses:

PAYEE	DATE	INVOICE NO	DESCRIPTION	AMOUNT
<b>MANAGEMENT FEES:</b>				
EARNEST PARTNERS, LLC	1/14/2016	4Q15	Management Fees - 4th Qtr '15	\$174,546.32
MELLON CAPITAL MANAGEMENT	12/22/2015	20150930-501-A	Management Fees - 3rd Qtr '15	\$102,043.21
Subtotal				\$276,589.53
<b>ADMINISTRATIVE EXPENSES:</b>				
ALLEGRA	1/13/2016	92127	Office Supplies	\$170.57
THE TOWNSEND GROUP	12/31/2015	10219	Professional Services-December 2015	\$11,250.00
UHY ADVISORS MI INC	12/31/2015		Prof Accounting Svcs - 12/16/15-12/31/15, Inv # 1157464	\$21,612.50
Subtotal				\$33,033.07
<b>OTHER EXPENSES:</b>				
Valerie C. Edward	1/12/2016		Annuity Sweep Reimbursement	\$123.89
Subtotal				\$123.89
<b>Total Disbursements for Board Approval</b>				<b>\$309,746.49</b>

**Re: Fees and Expenses – (Con't)**

Yeas: Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 5

Nays: None

**Re: Refunds of Accumulated Contributions**

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

**RESOLVED**, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth on **List No. 7241** in the amount of **\$5,422,710.34** including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

Yeas: Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 5

Nays: None

**Re: Employee Loan Program**

Motion By: Trustee Sheehan – Supported By: Trustee Cetlinski

**RESOLVED**, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of **\$69,021.00**, including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 5

Nays: None

**Re: Minutes/Journal No. 4140**

Motion By: Trustee Sheehan – Supported By: Trustee Cowan

**RESOLVED**, that the Minutes/Journal of Proceedings, Meeting No. 4140 of the meeting of the Board of Trustees of the General Retirement System of the City of Detroit, held Wednesday, December 23, 2015 be hereby **APPROVED** as recorded and submitted.

Yeas: Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 5

Nays: None

**ASSISTANT EXECUTIVE DIRECTOR'S REPORT**

Assistant Executive Director, Deborah Wilkerson, discussed the following:

Re: American Arbitration Association  
Letter of Intent – (Active) Employee Trustee Election

Resolution Moved By: Trustee Sheehan – Supported By: Trustee Cetlinski

**WHEREAS**, the Board of Trustees received correspondence from incumbent Trustee Armella June Nickleberry who filed a letter of intent to run for the term commencing July 1, 2016 and terminating June 30, 2022; **THEREFORE BE IT**

**RESOLVED**, that the Board hereby approves the letter of intent to run for the General Retirement System of the City of Detroit Active Employee Trustee Election, and further

**RESOLVED**, that a copy of this resolution be forwarded to Trustee Armella June Nickleberry and the General Retirement System.

Yeas: Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 5

Nays: None

*~Concludes Assistant Executive Director's Report~*

**EXECUTIVE DIRECTOR'S REPORT**

Executive Director, Cynthia A. Thomas, presented the following to the Board for discussion:

Re: GRS Mission Statement

Gives a vision of what the Trustees are working towards.

- **Trustee Eric Higgs** entered the Board Meeting at 10:16 a.m.
- **Trustee Scott Benson** entered the Board Meeting at 10:20 a.m.
- **Trustee John Naglick** entered the Board Meeting at 10:25 a.m.
- **Trustee Wendell Anthony** entered the Board Meeting at 10:35 a.m.

Executive Director's Report – (Con't)

Re: McLagan

McLagan is a compensation survey firm. Request was made to have a survey team review the Chief Investment Officer's position, Chief Informational Officer, the top executive positions, hiring contractual, Head Accountant, I.T. and benefits, and make a recommendation to the Board.

➤ The Board **RECESSED** to go into Closed Session

Re: Entering Into Closed Session

Resolution Moved By: Trustee Sheehan – Supported By: Trustee Cowan

**WHEREAS**, the Retirement System is subject to the limitation of the Open Meetings Act ("OMA") being MCL 15.261 et seq. and has adopted a resolution on April 25, 2012 relative thereto; **THEREFORE BE IT**

**RESOLVED**, that the Board enters into Closed Session for the purpose of discussing Medical information which is privileged under the applicable statutes (OMA Section 8(H)).

A Roll Call vote was taken as follows:

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Higgs, Naglick, Nickleberry  
and Sheehan - 9

Nays: None

The Board entered into **Closed Session** at 10:36 a.m.

Re: Open Session

Motion By: Trustee Sheehan – Supported By: Trustee Cowan

**RESOLVED**, that the Board come out of Closed Session.

The Board returned to **Open Session** at 10:40 a.m.



**MEDICAL DIRECTOR'S REPORT**

After listening to the reports and recommendations of the Medical Director regarding the disability re-examinations, the Trustees voted on the following cases as reported and recommended by the Medical Director:

Re: Annual Re-examinations

Motion By: Trustee Sheehan – Supported By: Trustee Anthony

**RESOLVED**, that in accordance with the recommendation of the Medical Director, the following be CONTINUED on the Disability Retirement Payroll with an examination in one (1) year:

Major, Latawnya  
Skillman, Randolph

and be it further,

**RESOLVED**, that in accordance with the recommendation of the Medical Director, the following be CONTINUED disabled with NO FURTHER EXAMINATIONS NECESSARY:

Georgette Carter  
Jacques Peete

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Higgs, Naglick, Nickleberry  
and Sheehan - 9

Nays: None

*~Concludes Medical Director's Report~*

**Executive Director's Report – (Con't)**

Re: CEM Benchmarking

Cost analysis firm. CEM Benchmarking analyzes pension administration and investment costs for smaller-sized retirement plans.

➤ **Trustee Felicia Johnson** entered the Board Meeting at 10:49 a.m.

Re: Employee Informational Meeting – Lunch/Learn Seminar

Old Pension Plan vs. New Pension Plan

Friday, January 22, 2016 (11:30 a.m. – 1:00 p.m.)

CAYMC – 13<sup>th</sup> Floor Auditorium

*~Concludes Executive Director's Report~*

**CHIEF INVESTMENT OFFICER'S REPORT**

There were no actionable items or updates to report at this week's meeting.

**GENERAL COUNSEL'S REPORT**

There was no Legal Report for discussion at this week's meeting. General Counsel provided the following Entries:

Re: Seminole Equity REIT

Motion By: Trustee Cowan – Supported By: Trustee Johnson

To authorize execution of the shareholder consent resolution of Seminole Equity REIT re-appointing Ronald J. Campbell and Ray F. Mathis as Class I Trustees of the REIT.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Higgs, Johnson, Naglick, Nickleberry and Sheehan – 10

Nays: None

Re: ICG Real Estate Advisors, LLC

The Board was made aware of the execution by Board signatories of the Agreement of Sale and Purchase regarding its membership interest and Mezzanine Loan in ICG Real Estate Advisors, LLC.

Updates:

- Audit – Unitization (Ability to trade all the assets in the plan).
- Defined Benefit Plan with Great Lakes Water Authority – Paying additional costs
- GASB 67 – Will be made available the middle of February 2016
- Gracia matter – Motion set for Friday, January 22, 2016
- Capozzoli – Will report on this matter next Board Meeting (1/27/16)

*~Concludes Legal Report~*

**OLD BUSINESS**

- Financial Review  
Consulting firm for the City (RFP) re: Putting a Funding Policy in place
- GRS having 25% Redemption in the Seminole REIT
- Stock Market: Portfolio down 7%, due to the economic indicators in the market.

**NEW BUSINESS**

- Trustee Lou Hatty – Informed the Board that he was laid off.

**ADJOURNMENT**

There being no further business before the Board, **Chairman Hatty** adjourned the meeting at 11:50 a.m. The Board's next meeting is scheduled for **Wednesday, January 27, 2016**, at 10:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,

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DEBORAH A. WILKERSON  
ASSISTANT EXECUTIVE DIRECTOR